

# ENTREPRENEURIAL DREAMS AND SUCCESSION PLANNING IN INDONESIAN SMALL FAMILY BUSINESSES: CULTURAL INSIGHTS FROM MARTABAK SELLERS

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*Submitted: Jun. 5, 2025; Reviewed: Sept. 7, 2025; Accepted: Sept. 15, 2025; Published: Sept. 30, 2025*

## Abstract

Family businesses play a vital role in Indonesia's economy, yet many small family-owned enterprises struggle with succession due to informal structures, generational reluctance, and changing career preferences. This study explores how succession planning is shaped by entrepreneurial dreams and cultural values in the Martabak (Indonesian pancake) industry. Using a qualitative case study approach based on semi-structured interviews with incumbent business owners, the research addresses a key gap: prior studies emphasize formal governance in medium and large enterprises, while little is known about informal, aspiration-driven succession in small family firms. By applying succession planning models within the Indonesian cultural context, this study contributes novelty by framing succession through the lens of incumbents' "entrepreneurial dreams," highlighting the interplay between aspirations, Hofstede's cultural dimensions, and successor development. Findings reveal that while formal succession plans are rare, incumbents encourage successors to pursue higher education and external work experience before returning to the family business. Succession activities remain relational, relying on trust, exposure, and experiential learning. The study concludes that entrepreneurial dreams, embedded in collectivism and family loyalty, are central to sustaining continuity. Practical recommendations include early successor involvement, structured mentorship, and culturally aligned entrepreneurship programs to support small enterprises in balancing tradition with modernization.

**Keywords:** Succession planning, family business, entrepreneurial dreams, cultural values, successor development.

## Introduction

Family businesses are a key driver of economic development in many countries, including Indonesia (L.-P. Dana & Ramadani, 2015), supporting sectors such as manufacturing, retail, food, and hospitality, and contributing to economic stability and employment (Miroshnychenko et al., 2024; Tirdasari & Dhewanto, 2020). Despite their prevalence, many small family-owned enterprises face challenges in succession planning, only 30% transition successfully to the second generation, with even fewer surviving into later generations (Ward, 2016). Small businesses, which are the focus of this study, are categorized as those with capital between IDR 1 billion – 5 billion and annual revenues between IDR 2 billion – 15 billion. Many small family businesses, including Martabak sellers, operate within this category, typically with low capital, reliance on family labor, and informal structures. Unlike medium and large enterprises, small businesses often navigate succession based on family traditions and personal relationships.

However, limited research has explored how small family businesses navigate succession planning,

despite their economic significance (Ge & Campopiano, 2022). Understanding succession in this context requires attention to cultural values such as respect for hierarchy, collectivism, and long-term orientation, which align with Hofstede's (2001) cultural dimensions and influence family decision-making. These businesses frequently lack formalized structures, making the succession process more fluid and informal (Ahmad Tipu, 2023). This study addresses the gap by examining succession planning in Indonesian small businesses, particularly in the informal food sector, focusing on how incumbents prepare successors and how entrepreneurial aspirations and cultural values shape generational transitions.

One of the key elements in succession planning is the role of the incumbent. Many incumbents hope their successors will modernize and grow the business, yet instead of mandating succession, they often allow children to choose their own path—whether continuing the family business or pursuing a career. Higher education and external experience are seen as essential preparation for successors to navigate today's dynamic economy. While parents outwardly support these choices, they still dream of their children returning, equipped

with new insights to expand the family business. These aspirations go beyond continuity—they reflect a transformational vision that adapts to modern challenges while preserving tradition.

Previous studies primarily emphasize structural and strategic succession factors, such as ownership transfer, financial planning, and leadership development (Ramadani et al., 2020). Cultural perspectives have also been examined, especially in Chinese family businesses (Anggadwita et al., 2020). However, little is known about succession dynamics in small family businesses where entrepreneurial dreams, rather than governance, shape decisions. This study fills that gap by exploring succession in Indonesian small family businesses through the lens of entrepreneurial dreams, focusing on how the incumbent's personal vision influences successor preparation.

The purpose of this research is to understand how entrepreneurial dreams and cultural values shape succession planning in small Indonesian family businesses, with a focus on Martabak sellers.

Moreover, this study is novel in applying succession planning models within the Indonesian cultural context, reframing succession through the incumbent's 'entrepreneurial dreams,' an angle rarely examined in prior literature.

To clarify the scope of the study, entrepreneurial dreams are examined as the driving vision of incumbents, cultural values are treated as the moderating context shaping decisions, and succession planning represents the outcome process through which these factors interact to influence generational continuity.

A compelling case is that of Martabak (Indonesian pancake) sellers, small family-run enterprises embedded in local tradition (Fitri & Misnawati, 2021). These businesses face increasing pressure to adapt amid digital transformation and evolving consumer preferences (Castillo et al., 2024; Veronesi & Schiavello, 2023). Unlike larger enterprises, Martabak sellers rely on informal knowledge transfer and limited resources.

This study explores how such incumbents prepare successors and how entrepreneurial dreams shape succession. Specifically, the research seeks to answer:

1. How do the entrepreneurial dreams of small family business owners shape succession planning in the context of Martabak sellers in Indonesia?
2. What are the key challenges faced by incumbents and successors in the business succession process, and how do they reconcile different aspirations?
3. How can structured succession planning strategies help small family businesses navigate generational transitions?

External work experience is often viewed by incumbents as vital preparation for successors, offering

exposure to diverse management styles, best practices, and innovative business models. Such experiences enhance leadership and entrepreneurial capacity, equipping successors to expand the family business. However, while incumbents hope their children will eventually return and transform the business, they also recognize the economic realities of small enterprises. Financial dependence on the business often makes succession a personal and pragmatic decision, leading some to accept their children's pursuit of more secure external careers.

The evolving business landscape presents further challenges. Digitalization, online marketing, and delivery platforms are reshaping the food sector, requiring adaptation to shifting consumer behavior (Jia et al., 2025). Small Martabak businesses, lacking the resources of larger firms, often struggle to adopt these technologies. Successors educated in modern business practices may propose innovations that conflict with incumbents' traditional approaches, creating intergenerational tensions.

By framing succession through the lens of entrepreneurial dreams, this study contributes to the literature on family business sustainability in emerging markets. Unlike linear models of ownership transfer, it emphasizes the emotional, aspirational, and psychological dimensions of succession in small enterprises.

### *Indonesian Small Family Business Selling Martabak*

Family businesses are crucial to national economies and have been widely studied for their unique management structures and generational continuity (Ferreira et al., 2021). Defined as enterprises jointly owned and managed by family members (C. Aronoff & Ward, 2016), they span various sizes, from global firms to small local ventures.

In Indonesia, small family-run businesses play a pivotal role, particularly in the food and beverage sector. Among them, Martabak vendors stand out as vital contributors to local livelihoods and economic resilience (Nugroho et al., 2023; Nurhayati et al., 2025). With the rise of Martabak franchises like Martabak Alim, which operates over 100 outlets nationwide, the industry reflects both cultural continuity and growing commercial potential (Arzety & Hadita, 2023).

These family-run Martabak businesses typically pass ownership and management across generations, creating a strong organizational culture rooted in trust and shared values (Memili et al., 2020; Wijayanti et al., 2021). This generational model fosters business resilience while preserving traditional culinary practices (Kharuhothin & Kerrane, 2018). However, Indonesian small food enterprises still face hurdles, such as

limited access to capital, informal management, and resistance to change (Masnila et al., 2024; Wellalage & Fernandez, 2019). These businesses often prioritize family values over formal strategy (Lee et al., 2025), complicating their ability to innovate.

The pressure to digitalize, via food delivery apps, social media, and e-commerce, adds new challenges (Binh et al., 2025). While some firms leverage technology to grow, others lag due to generational differences and resource gaps (Vrontis et al., 2019).

This tension often manifests in succession planning, where incumbent owners dream of modernizing their legacy through their children. Yet successors may choose external careers for financial security, leaving future continuity uncertain (Baù et al., 2020). This highlights the ongoing tension between tradition and transformation in small Indonesian family businesses.

### *Incumbent Dream*

Succession planning in family businesses is a key process for ensuring continuity and sustainability across generations (Ringo & Kibambila, 2025). The decision to engage in succession is shaped by personal, familial, and cultural factors that influence how incumbents prepare their successors (Li et al., 2023). Among these, desirability plays a central role, reflecting the incumbent's positive view of succession and commitment to preserving the family business legacy. Sharma et al. (2003) argue that such commitment is essential, while De Massis et al. (2016) emphasize the role of family values in enabling a successful transfer of authority.

This study reframes desirability as "dream" to capture the emotional and aspirational dimensions of incumbents' attachment to their businesses. While desirability highlights rational evaluation, "dream" conveys visionary goals, emphasizing the desire to see the business thrive under future generations. This view aligns with studies on the emotional and cultural role of family businesses, especially in Indonesia, where kinship and tradition deeply influence succession planning (Wittmer et al., 2022).

Dreams motivate incumbents to invest in successors' education, foster shared visions, and instill leadership values. Such shared visions enhance communication and collaboration, minimizing conflict and improving succession effectiveness (Alvarado-Alvarez et al., 2021). These dreams often merge personal aspirations with business goals, particularly in small family firms where personal and professional spheres overlap (Jaskiewicz et al., 2015).

In Indonesia, incumbents' dreams are shaped by cultural expectations surrounding family legacy and

communal harmony (Magnadi et al., 2021). Many see succession not only as a business decision but as a continuation of their life's purpose (Blombäck & Brunninge, 2013). However, practical challenges like limited resources and successors' career choices often affect how these dreams unfold (Ferrari, 2023). This study builds on prior research by exploring how incumbents' dreams guide succession planning in small Indonesian family businesses, particularly among martabak sellers, where cultural values and business realities strongly intersect.

### *Succession Planning*

Succession planning is a pivotal process to ensure the continuity and long-term sustainability of family businesses across generations (Tang & Hussin, 2020). It involves structured phases such as identifying potential successors, equipping them with relevant skills, and eventually transferring authority and responsibilities (Nwuke & Adeola, 2023). In the context of small family businesses in Indonesia, this process is influenced by cultural values, economic limitations, and the shifting aspirations of younger generations (J. D. Tan et al., 2021).

Building on the framework proposed by Ramadani et al. (2017), this study refines the conceptual model of succession planning by incorporating succession antecedents, processes, and expected outcomes. Succession antecedents include organizational factors such as culture, ownership structure, performance, size, strategy, and candidate availability, as noted by (Kesner & Sebora, 1994). A critical emphasis is placed on successor competencies, encompassing personal characteristics, experiences, and leadership skills—which are essential for guiding the organization toward sustained growth and effective generational transition.

Succession planning is a pivotal process that determines the sustainability of family businesses across generations (Ramadani & Hoy, 2015). During the antecedent phase, conflicts often arise, including internal family tensions, talent retention issues, nepotism, and gender-based concerns. These factors are critical for organizational survival (Adewale et al., 2011). The succession process itself serves as a bridge between generations, facilitating leadership transfer while ensuring business continuity (C. E. Aronoff et al., 2003). However, founders often struggle to balance maintaining control with enabling future growth. Effective succession requires knowledge transfer, intergenerational trust, and openness to new ideas (Higginson, 2010). When planned well, it can foster positive cultural, social, and economic changes (McNamara et al., 2009).

Research shows that only 30% of family businesses transition successfully to the second generation, with survival rates dropping further in subsequent generations (Morris et al., 1996). The process, while complex, also presents strategic opportunities for those that can adapt and plan effectively. Success depends on structured mentoring, training, and strategic planning (Gashi & Ramadani, 2013).

This study adapts Walsh's (2011) model by integrating findings related to succession processes, activities, and outcomes. Managing the succession process involves setting clear procedures for candidate identification, defining family roles, and fostering open dialogue to reduce conflict. In Indonesia, traditional decision-making norms often blend with modern management practices (Efferin & Hartono, 2015).

Succession activities focus on preparing the next generation through skill assessment, family communication, and external exposure. Many incumbents encourage successors to pursue formal education and gain work experience before returning to the family business (Yan & Yu, 2021b). For small food-related enterprises, balancing tradition with innovation is key to sustainability (Gil et al., 2024).

Desired outcomes include digital transformation, adoption of modern management, and responsiveness to evolving consumer demands. However, intergenerational conflicts, resistance to change, and diverging aspirations continue to hinder smooth transitions. These challenges highlight the importance of formal planning, mentorship, and intergenerational alignment to achieve successful succession.

### ***Cultural Influences on Incumbent Dreams and Succession Planning***

In Indonesia, incumbent business owners' dreams are shaped by cultural values that emphasize authority, family harmony, and long-term commitment. Hofstede's (2001) cultural dimensions, high power distance, collectivism, and long-term orientation, help explain how these values influence succession planning. In high power distance settings, elders' authority is culturally legitimized, making it natural for incumbents to envision their chosen successors continuing the business (Breuer & Knetsch, 2022). Collectivism prioritizes family interests over individual goals, framing succession as a shared duty rather than a personal choice (Irawanto, 2009). Long-term orientation reinforces the desire to build a legacy, increasing incumbents' emotional investment in their successors (Memili et al., 2018).

These cultural traits also shape how succession is implemented. Rather than formal planning, Indonesian

family firms often rely on tacit expectations and relational learning (Kusuma & Indarti, 2017). Uncertainty avoidance contributes to the reluctance to institutionalize succession, as informal trust is preferred over rigid systems (Lussier & Sonfield, 2012). Harmony-driven decision-making often limits critical discussion and structured development (Gupta & Levenburg, 2012). Consequently, many successors, particularly in traditional sectors like Martabak businesses, may lack formal preparation and autonomy, potentially risking long-term sustainability despite strong family cohesion.

### ***Conceptual framework***

A conceptual framework serves as a model illustrating the relationships among theoretical constructs and research variables (Sugiyono, 2007). This study adapts the framework of Ramadani et al. (2017), originally focused on gender dynamics, to suit the context of Indonesian small family businesses, specifically traditional Martabak sellers. The revised model emphasizes the incumbent's entrepreneurial dreams, succession antecedents and processes, succession activities, desired outcome and the moderating influence of cultural values.

The framework begins with the concept of the entrepreneurial dream (Sharma et al., 2003), which reflects the incumbent's aspiration for the next generation to eventually return, take over, and grow the family business using knowledge gained externally. This dream often influences how and when the incumbent initiates succession. It is followed by succession antecedents, based on Kesner & Sebor (1994), including family dynamics, informal business structures, successor readiness, and internal harmony—all of which are especially relevant in informal, small-scale settings like Martabak businesses.

Next is the succession process, drawn from (Walsh, 2011), which describes how incumbents set expectations and transfer tacit knowledge through informal mentoring, limited delegation, and trust-building rather than structured training. This process is supported by succession activities such as day-to-day engagement, skill development through observation, and occasional participation in business decision-making. Family meetings often serve as informal platforms to identify and prepare suitable successors.

The final component includes the desired outcomes of succession, such as continuity of operations, leadership transfer, preservation of family values, and potential business modernization. These outcomes are shaped by cultural dimensions from Hofstede (2011), including Power Distance, Collectivism, and Long-

Term Orientation. These cultural norms reinforce incumbent authority, promote family cohesion, and emphasize legacy preservation. Together, the framework integrates personal aspirations, succession stages, and cultural context to provide a comprehensive view of succession in Indonesia’s traditional Martabak businesses, as depicted in Figure 1.

### Research Methods

This study adopts a qualitative method with a case study approach to explore succession planning among small family businesses selling Martabak in the Greater Jakarta Area, Indonesia. The qualitative approach allows a holistic understanding of the phenomenon in its natural setting, using systematic techniques (Moleong, 2013). It is well-suited for exploratory research, enabling direct interaction with participants and reducing interview bias (L. P. Dana & Dumez, 2015). The case study design provides in-depth insights, focusing on four selected cases, in line with Yin's (2009) recommendation for literal replication in multiple-case studies.

Data were collected through purposive sampling, targeting individuals with extensive knowledge and involvement in their family businesses. Following

Polkinghorne's (2005) emphasis on data richness over quantity, participants were key decision-makers or successors in Martabak businesses operating for over ten years. Primary data were gathered through face-to-face, semi-structured interviews conducted at each business location. Interviews lasted 30–60 minutes, were recorded with consent, transcribed verbatim, and anonymized for confidentiality (Kaiser, 2009). Secondary data from academic sources were used to triangulate findings.

The investigation draws from Ramadani et al. (2017), examining succession antecedents (cultural and organizational), succession processes, related activities (family communication and successor evaluation), and desired outcomes. A multi-case analysis was applied, using data reduction, data display, and conclusion verification techniques as outlined by (Miles & Huberman, 1994).

Ethical considerations were strictly observed, with informed consent obtained and identities anonymized. This research seeks to contribute context-specific insights into how succession planning operates within Indonesia’s traditional food sector, particularly among Martabak sellers, offering implications for sustaining small family enterprises in culturally rooted environments.

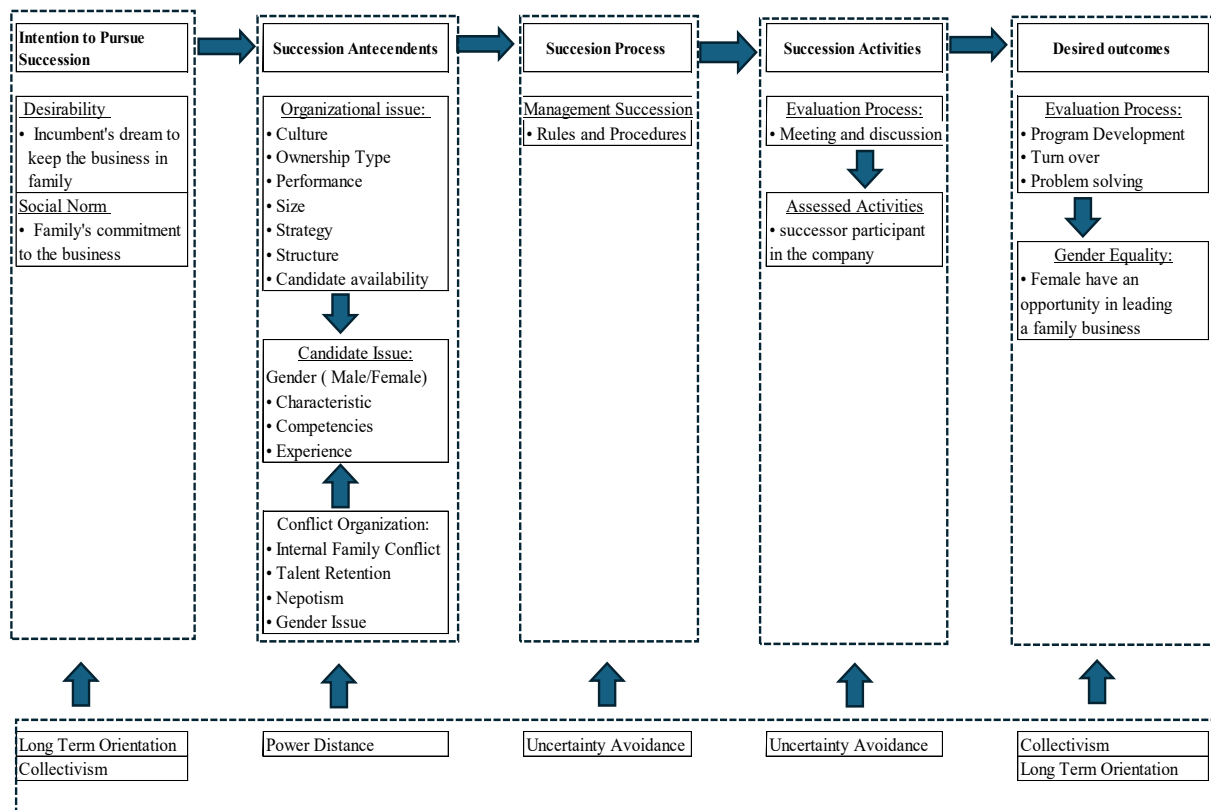


Figure 1. Conceptual framework of incumbent’s dream, succession planning, and cultural influences  
 Source : Adapted from Sharma et al. (2003), Ramadani et al. (2017), Hofstede (2001)

**Table 1**  
**Background information**

	<b>Informant 1</b>	<b>Informant 2</b>	<b>Informant 3</b>	<b>Informant 4</b>
<b>Name of the business</b>	NY	BJ	IW	B79
<b>Location</b>	West Jakarta	North Jakarta	Tangerang	West Jakarta
<b>Position</b>	Owner	Owner	Owner	Owner
<b>Role in the succession</b>	Incumbent	Incumbent	Incumbent	Incumbent
<b>Generation</b>	First	First	First	First
<b>Year business started</b>	1990	1994	1987	2000
<b>Number of employees</b>	Less than 5	5 to 10	10 to 15	15 to 20
<b>Number of branches</b>	2	1	3	3
<b>Yearly sales (in IDR)</b>	1-2 billion	2-3 billion	3-4 billion	3-4 billion

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### Results and Discussion

Martabak is a popular dessert widely consumed across Indonesia, with vendors operating in various regions (Von Holzen & Arsana, 2015). Its accessibility makes it an appealing business option for both Chinese-Indonesians and local Indonesians, spanning small to medium-sized enterprises. For many small businesses, particularly those that began informally, Martabak entrepreneurship offers a viable livelihood due to limited education and technical skills. Entrepreneurs in this sector often lack formal training, restricting their ability to explore alternative opportunities (Cahya et al., 2025). In regions with fewer job prospects, the culinary industry has become a vital income source (Hutahayan, 2019). As such, the Martabak business allows individuals to leverage culinary skills and family traditions to support their households (Rifin, 2019). Low entry barriers and skills learned through family, prior work, or hiring trained staff make this business accessible to many.

Both Chinese-Indonesian and local vendors display similar entrepreneurial abilities, as managing a Martabak business is relatively simple. However, long-term sustainability depends on retaining and motivating employees. Business owners often use incentive schemes and build trust through reward systems that recognize employee contributions. Studies show that such practices significantly impact retention and workplace satisfaction (Liu & Liu, 2022). Interpersonal trust further improves performance and reduces turnover, contributing to business sustainability (Zeffane & Bani Melhem, 2017).

This study draws on interviews and observations with four small Martabak business owners, summarized in Table 1. To ensure confidentiality, respondents are identified by initials: NY, BJ, IW, and B79. All represent first-generation entrepreneurs in small and medium-sized Martabak enterprises. The interviews reveal insights into succession planning, continuity challenges, and successor motivation.

Rather than testing hypotheses, this study adopts a qualitative approach where findings are interpreted as thematic patterns. Each theme is explained in depth to show how entrepreneurial dreams, cultural antecedents, and succession activities collectively shape desired outcomes.

#### *The Dream to Pursue Succession*

Findings show that the incumbent's aspiration for succession is driven by a desire to expand the business and ensure its continuity. This aligns with a future temporal orientation, where owners actively plan for long-term sustainability. Lu et al. (2022) note that family business leaders with future-oriented mindsets are more likely to engage in proactive succession planning, supporting long-term growth. For instance, B79 shared:

*"Actually, I still have a dream. I want to develop more stores. They don't have to be far from here, just within West Jakarta. For me, having two stores like this at the moment would already be enough."*

Unlike large firms with aggressive expansion strategies, small family businesses often take a gradual approach due to limited finances and tight-knit decision-making. This cautiousness is shaped by cultural values, particularly Collectivism and respect for hierarchy, which reinforce consensus and the incumbent's authority (PANGWI, 2023). Here, the dream of sustaining the business is a shared family aspiration, supported and encouraged by the family in line with cultural norms.

IW illustrated this sentiment by recalling his wife's words:

*“Back then, when my wife was still alive, she once said: ‘You [the daughter] don’t need to look for other types of work. Just continue with the Martabak business, we’ve already shown that it has the potential to grow. It holds real opportunities and is too valuable to let go.’ Eventually, her words deeply moved our daughter.”*

This moment illustrates how emotional bonds and intergenerational influence shape succession in small family businesses. The wife’s guidance reflects collectivist values prioritizing family over personal goals, while the daughter’s response shows the respect for parental authority common in high power distance cultures (Yan & Yu, 2021a).

Similarly, BJ and NY share the same perspective, emphasizing that they will fully support their successors, but only if the successor is willing to continue the business. As BJ and NY stated:

*“If the child wants to continue [the business], they will be supported.”*

*“Yes, I personally support them [the successor] continuing this business because this business is crisis-resistant.”*

The findings illustrate that incumbents’ entrepreneurial dreams function as a guiding vision rather than a rigid directive. By framing succession as part of a family legacy, incumbents embed emotional and cultural meaning into the process, which helps sustain motivation for continuity even when successors hesitate.

This aligns with (Monticelli et al., 2020), who define a family business as one owned and influenced by the same family, with a vision often shaped by the intention to pass it to the next generation. Interviews reveal that incumbents aspire not only to transfer ownership but also to see their successors grow the business and develop strong entrepreneurial skills. This long-term vision reflects Indonesia’s cultural emphasis on continuity and family responsibility (Hidayati et al., 2021). However, support is often conditional, extended only if successors choose to continue, underscoring a collectivist value of consensus and voluntary commitment over forced succession.

### ***Succession Antecedent***

Interview findings reveal key succession antecedents, including organizational issues, candidate concerns, and talent retention. Culture emerges as a major organizational factor, as martabak family businesses in Indonesia strongly uphold traditional values. As B79 explains:

*“Yes, indeed, we [the incumbent] and our employees already have a designated person in charge [to supervise the business]. In my case, I tend to select*

*someone who still has a family connection, as we trust them.”*

In Indonesian culture, family connections do not always imply blood relations. As Ramadani et al. (2020) note, collectivist values emphasize kinship and loyalty, fostering business growth. Family culture—how members manage conflict, emotions, and loss—shapes the continuity of family businesses (Kepner, 1991). Indonesia’s cultural diversity further influences these dynamics.

This study focuses on small martabak family businesses, where succession is shaped by limited resources, reliance on family labor, and informal structures. Unlike large firms, these businesses favor hands-on, in-family training over formal mentorships—an approach aligned with J. P. G. Tan’s (2009) findings on informal leadership transitions in smaller Asian enterprises.

Candidate availability is also a key factor. In kinship-based systems, cultural expectations and emotional ties impact successor motivation and succession viability (Bloemen-Bekx et al., 2021). Structured planning, early development, and broader candidate selection can improve sustainability and support smoother successions.

In this context, the incumbent’s willingness to hand over the business to a prepared successor plays a significant role. As mentioned by IW:

*“Yes, she [the incumbent’s daughter] will be the one to continue it. I will support and encourage her. I told her, ‘Ades, I’m giving you the sweet martabak business.’”*

However, a key challenge for martabak family businesses is the unwillingness of some potential successors to take over. This reluctance hinders succession, as incumbents cannot impose the decision. Instead, they must rely on negotiation and encouragement to ensure continuity. Interviews with BJ and IW reflect this sentiment, stating:

*“Ah, that is up to the children to continue. It’s their choice; we cannot force them.”*

*“Yes, I have a plan for my child to continue the business. Fortunately, my youngest child recently studied culinary arts. However, I asked them several times, saying, ‘Don’t you get bored staying at home every day? A day, a week, a month, a year, time keeps passing, and we are getting older. What kind of business do you want to pursue?’”*

Findings suggest that cultural values such as collectivism and respect for hierarchy create a foundation where entrepreneurial dreams gain legitimacy. These antecedents explain why incumbents prioritize successor education and outside experience as a way to blend traditional values with modern skills.

This highlights a common challenge in family businesses, succession depends on the successor's interest and willingness. While incumbents cannot guarantee their children will take over, they still invest in their education to provide flexible career paths. Successors can then choose between a professional career or continuing the martabak business. This approach reflects collectivist Asian values, where decisions are shaped by consensus and emotional connection rather than hierarchy (Power et al., 2010). It represents a strategic effort to keep succession open, as expressed by B79:

*"They are free to work anywhere, but they must acquire the knowledge of running a martabak business. This is because, at some point, when an opportunity arise, and if they choose to start a business, they have the necessary skills already. After all, their father started from nothing and was able to grow the business to its current state."*

A successor's interest, paired with relevant formal education, strengthens their ability to sustain and grow the family business. Research shows that domain-specific education equips successors to innovate, manage operations, and adapt to market shifts (Sharma & Irving, 2005). NY illustrated this by stating:

*"My son attended a school that offers programs in areas like cooking, culinary arts, and hospitality."*

NY believes his son's hospitality education aligns with his interest and equips him to continue and expand the family business. Formal training enhances his ability to innovate and manage operations. This is reflected in the son's preparation to open a new Martabak outlet, supporting a smooth transition and long-term success.

### ***Succession Activities and Desired Outcomes***

At this stage, succession activities focus on assessing the successor's ability to sustain the business and adapt to evolving trends, including digital marketing and social media. All interviewed founders reported introducing their children to the business early on, with several successors exposed to operations since childhood. As noted by B79:

*"Furthermore, our children are still in school and university, but we continue to teach them about the business."*

In small martabak family businesses, operations are often based at home, enabling children to observe daily activities. However, the hot and less child-friendly environment discourages prolonged involvement. Early successor engagement is typically minimal, as some founders began their ventures experimentally, driven by a modest vision of future growth and success.

This reflects a broader pattern in Indonesian family businesses, where informal exposure and gradual learning often replace structured training. In collectivist cultures like Indonesia, business values and tacit knowledge are passed down through shared routines and trust-based relationships. Budhiyanto (2019) similarly found that intergenerational involvement and family trust support business sustainability in traditional batik firms. The activities uncovered, including informal mentoring, daily exposure, and trust-building, highlight how succession is enacted relationally rather than through formal structures. These practices operationalize the incumbent's dream by gradually transferring both entrepreneurial knowledge and family values to successors.

In small family businesses, incumbents often open new outlets for successors to manage independently, offering a controlled environment to develop leadership skills. In contrast, medium-sized businesses tend to have centralized systems that manage all outlets. B79 emphasized the importance of maintaining turnover through strong relationships and treating employees like family, reflecting the Indonesian value of *"mangan ora mangan asal kumpul"* ("whether we eat or not, as long as we are together"). This cultural ethos highlights how emotional bonds contribute to business sustainability (Hermawan & Loo, 2019).

As noted by Morris et al. (1996), family firms often rely on "emotional kinship groups" for ownership and decision-making. Yet, they remain pragmatic by implementing reward systems to enhance motivation and productivity (Villani et al., 2024). According to NY, employee turnover is not a major issue in small family businesses due to their limited workforce. Turnover, as defined by Robbins et al. (2015), refers to the permanent resignation of an employee, either voluntary or involuntary.

Successors are also evaluated on how they address competition. IW noted that they overcome this challenge by utilizing delivery services and online platforms to meet customer demand for convenience, stating:

*"In this outlet [run by the second child], things can get a bit overwhelming sometimes, especially when handling deliveries, it can be quite complicated. [...] But over there [the outlet run by the first child], there are no deliveries, it's all managed through online orders only."*

Meanwhile, according to NY:

*"Yes, he [NY's son] does want [to expand by adding another outlet]. That's why he is using that approach [starting to develop team organization]. He has hired two employees there."*

This reinforces the framework by showing that succession activities act as a bridge between cultural antecedents and outcomes: cultural expectations legitimize the dream, while relational activities translate it into tangible preparation for continuity. Overall, the findings reveal how entrepreneurial dreams, cultural antecedents, succession activities, and desired outcomes are tightly interconnected in shaping generational transition, directly addressing the research objectives. Incumbents' visions, legitimized by cultural values and enacted through relational practices such as mentoring and trust-building, ultimately lead to continuity and gradual modernization.

For practitioners, the results highlight the need to complement cultural values with structured mentorship and training. Policymakers and family business associations can design interventions that respect collectivist traditions while promoting modernization through entrepreneurship workshops and digital literacy. Overall, balancing tradition with innovation is key to sustaining small family businesses in Indonesia's evolving economy.

### Conclusions and Implications

This study highlights the unique characteristics of succession planning in small family-owned Martabak businesses in Indonesia, emphasizing the influence of entrepreneurial dreams, informal succession activities, and the desired outcomes of ensuring business continuity, leadership transfer, and family legacy, along with culturally embedded values such as collectivism, respect for hierarchy, and long-term orientation. Unlike larger family firms with structured governance, these small businesses rely heavily on experiential learning, family mentorship, and emotional bonds to transfer leadership. While incumbents aspire for their successors to modernize and expand the business, they often grant flexibility for the next generation to choose between business succession and professional careers.

In contrast to Ramadani et al. (2017), who identify clear, structured stages in the succession process, this study finds that succession in small Martabak businesses occurs through a series of fluid and informal activities. This aligns with Anggadwita et al. (2020), who note that small family firms often lack the formal governance structures seen in larger enterprises, making succession a relational and evolving experience rather than a strictly planned one.

While incumbents aspire for their successors to modernize and expand the business, they often grant flexibility for the next generation to choose between business succession and professional careers.

Practically, the findings offer insights for family business owners, advisors, and policymakers. Business

owners should begin early exposure and informal mentorship of potential successors to build trust and continuity. Support for formal education and structured autonomy (e.g., managing a new outlet) can enhance readiness without pressuring successors. Policymakers and educators can also play a role by designing culturally attuned entrepreneurship programs that recognize the informal nature of succession in small Indonesian family businesses.

This study has several limitations. First, it focuses exclusively on succession without integrating the roles of innovation and technological adoption, both of which are increasingly vital in ensuring long-term sustainability, as emphasized by Price Waterhouse Coopers (2021). Second, the study's scope is limited to four small Martabak family businesses in Jakarta, which constrains the generalizability of the findings and does not capture the diversity of experiences across Indonesia.

Based on these limitations, several recommendations for future research are offered. Future studies should adopt a more holistic approach by incorporating innovation, digitalization, and broader economic dynamics into the analysis of succession. Expanding the sample to include medium-sized and regionally dispersed family enterprises would provide more representative insights. Comparative studies across different business scales and food sectors could also deepen our understanding of how entrepreneurial dreams, cultural antecedents, and succession practices operate in varied contexts.

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